

Enbridge Offshore (Gas Transmission) L.L.C.
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March 11, 2008

Department of the Interior
Minerals Management Service
Attention: Regulations and Standards Branch (RSB)
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

RE: RIN 1010-AD11

Enbridge Offshore (Gas Transmission) L.L.C. ("Enbridge") operates offshore gathering and transmission pipelines within the Gulf of Mexico. Enbridge is pleased to have an opportunity to comment on the proposed pipeline safety regulations published in the Federal Register Volume 72, no. 191 on Wednesday, October 3, 2007.

Please find attached the comments regarding the proposed revision of Subpart J in 30 CFR 250, 253, 254, and 256.

If you have any questions or require any additional information, please contact me at 713-821-2168.

Sincerely,

A handwritten signature in black ink, appearing to read "D. McQuade", is written over a light grey circular background.

David McQuade
Manager, EHS and Compliance

COMMENTS ON PROPOSED PIPELINE SAFETY REGULATIONS
Enbridge Offshore (Gas Transmission) L.L.C.
March 11, 2008

INTRODUCTION

The intent of the Notice of Proposed Regulation (“NOPR”) is unclear as to how it applies to Offshore gathering and transmission pipelines. The NOPR could be interpreted to apply to all Department of Transportation (“DOT”) pipelines for all aspects of the rule. It also seems the Mineral Management Service (“MMS”) is asserting that they have safety jurisdiction over DOT pipelines.

We have read the Interstate Natural Gas Association of America (“INGAA”) reports and their interpretation of the NOPR. Enbridge also has questions as to the intent and application of the NOPR. Enbridge does not feel there is significant safety value added, but does see significant cost added.

CLARIFICATION POINTS:

- Per 250.1004, does subpart J apply if we are currently a transporting operator subject to regulations under 49 CFR 192 or 49 CFR 195?
- Requiring companies to submit construction reports within 45 days after completion of pipeline construction is not enough time. We feel the 90 days required now, sometimes is not enough time. Will there be fines for late filing or will there be an extension process to gather information and submit paperwork?
- The requirement to hydro test the pipeline after repairs would be extremely costly. To flush the line, fill with water, hydro test and then dewater the line would add extreme cost at what benefit beyond current test performed.
- With the addition of PSHL’s at each departing pipeline and methods to determine the settings. Does this mean, using API RP 14 C as a reference. We would be required to have verification data of normal operating pressures and set the PSHL at 15% above and below the operating pressure range. Would this include testing the pilots on a monthly basis (not to exceed 42 days)? If this is the new requirement it would add an estimated additional cost of \$50,000/year.
- On new incoming, crossing, and bidirectional pipelines, the proposed rule requires that companies install SDV’S no more than 10 feet from the boarding pipeline riser and in an unclassified area. Will this require the installation of pipeline valves below the deck to assure they are located in an unclassified area? We do not see any additional safety value

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in this requirement. What would be the safety benefit to move these valves compared to all the SDV'S throughout the process facility located in classified areas?

- The proposed rule includes notification and reporting requirements for safety equipment and pipelines removed from service. If we use the premise of a pipeline is Out Of Service that has not been used to transport oil, natural gas, sulphur, or produced water for more than 30 consecutive days. The Out Of Service period begins on the 31st day of inactivity. Then we must immediately equip an out of service pipeline with either a blind flange or a block valve locked in the closed position at each end. We must submit a written report to the Regional Supervisor with 48 hours. This does not fit pipeline operations. Depending upon marketing, pipelines redirect flow daily with many pipelines not transporting product for months at a time. We suggest a more reasonable time period. Prior to reactivating a pipeline, test all safety equipment.
- The proposed rule requires visual surveys of all pipeline routes at least monthly, and gives several methods for conducting the surveys. The increase of visual surveys of all pipeline routes at least monthly would impact Enbridge in the estimated amount of \$150,000.00 per year. Because of the numerous pipeline companies flying the Gulf of Mexico on a daily basis and numerous supply boats crossing the Gulf of Mexico on a daily basis the chances of a pipeline leak not being identified are minimal. Also all offshore platforms are required to report spills or leaks to the Coast Guard and MMS which are then investigated for the source.
- The proposed rule requires annual inspections of each pipeline riser in and above the splash zone, and inspection of the underwater portions of the riser in conjunction with the platform inspection requirements in 30 CFR 250 I, Platforms and Structures. We inspect risers above the waterline on an annual basis. Is this requirement asking us to inspect every riser below the water line? Is this requirement asking us to inspect the riser below the water line just on floating platforms? If this requirement is for floating platforms, we have two and the additional cost to inspect just these two risers would be \$20,000 per year. If this rule includes all pipeline risers, then the cost increases by \$750,000 per year.
- The proposed rule addresses ultrasonic test inspections, in-line inspections, and trawling test in proposed Sec. 250.1103 (d), (e), and (f) are new to the regulations. The RS may require these inspections and tests if specific conditions indicate the need for them. What criteria would Department of Interior ("DOI") use to require additional inspections?
- The proposed rule requires that we submit CP readings to the Regional Supervisor by October 31st of each year. Does DOI want a copy of all the CP data? Would it be more reasonable to require the data to be available during an inspection?
- The proposed rule raises the rental fee from \$15/mile to \$70/mile which would increase our yearly fees by about \$55,000.00. And then at a later time increase the fee to \$125/mile which would increase the yearly fees again by about \$55,000.00. We see no added Safety Value in increasing these fees.

- The proposed rule includes that pipeline operators maintain OCS pipelines in accordance with current industry practices, and that the personnel performing the maintenance are capable of that task, proposed Sec 250.1079 would require the preparation of:
 - 1) Operations and Maintenance Manual
 - 2) Integrity Management Program
 - 3) Emergency Plan, and
 - 4) Personnel Qualification Program

Is the proposed rule asking for additional plans? Are the DOT plans in place acceptable?

- The proposed rule requires that the company shut in all pipelines immediately to ensure safety and protect the environment. Pipeline companies may not resume operations until the equipment is repaired or replaced, unless an equivalent degree of protection is provided. Does DOI want to shut the flow immediately if any safety device fails? Do we have some period of time to repair the device? 3 hrs, 12 hrs with personnel on site? In most cases the parts are available to repair the device while personnel is at the location.

SUMMARY

We believe the intent of the NOPR is unclear as to how it applies to Offshore Pipelines currently under DOT jurisdiction. If the intent of the MMS is to apply this new rule to existing pipelines under DOT jurisdiction, we would like to understand how this adds safety value to our operations.